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BEFORE THE BOARD OF PATENT APPEALS

AND INTERFERENCES

Paper No. 26

Application Number: 09/100,684

Filing Date: June 19, 1998

Appellant(s): TEDESCO et al

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GROUP 3600

Dean Alderucci

For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed February 24, 2003.

(1) *Real Party in Interest*

A statement identifying the real party in interest is contained in the brief.

(2) *Related Appeals and Interferences*

A statement identifying the related appeals and interferences which will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief.

(3) *Status of Claims*

The statement of the status of the claims contained in the brief is correct.

(4) *Status of Amendments After Final*

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Invention

The summary of invention contained in the brief is correct.

(6) Issues

The appellant's statement of the issues in the brief is substantially correct. The changes are as follows:

Whether claims 1, 11-13, 22, and 29 are unpatentable under 35 U.S.C. 103(a) over a combination of McNatt, Linnen, Krauss, and Crosskey.

Whether claims 2-10, 23-26, 28, and 30 are unpatentable under 35 U.S.C. 103(a) over a combination of McNatt, Linnen, Krauss, Crosskey, and Jermyn.

The Examiner notes that the Appellant was partially correct in his observation that rejection in the last office action of the second group above should have included the Crosskey, since this reference was used in the rejection of the parent claims. (The Examiner has added this reference to the appropriate dependent claims in paragraph 10 (B) of the Grounds of Rejection section below). However, it is incorrect to also include the Bucci, Schumacher, Goldberg, or Wall Street Access references, which were cited to show support for the well known features for which Official Notices were taken in previous office actions.

(7) Grouping of Claims

The appellant's statement in the brief that certain claims do not stand or fall together is not agreed with because the Appellant has presented the same arguments for many of the various groupings. The Examiner believes, based on the claimed features, that the grouping of claims should be as follows:

Group I: claims 1, 11-13, 22, 29

Group II: claims 2-5

Group III: claims 6, 7, 23

Group IV: claims 8, 24

Group V: claims 9, 25, 27

Group VI: claim 10

Group VII: claim 26

Group VIII: claims 28 and 30

(8) Claims Appealed

The copy of the appealed claims contained in the Appendix to the brief is correct.

(9) Prior Art of Record

The following is a listing of the prior art of record relied upon in the rejection of claims under appeal.

(A) 6,026,370	JERMYN	2-2000
(B) 6,035,281	CROSSKEY et al	3-2000

(C) Linnen, Herb and McGann, Jim "AT&T comments on new FCC rules to curb 'slamming'", AT&T News Release, (June 14, 1995), 4 pp.

(D) McNatt, Robert and Light, Larry, "Reach Out and Pay Someone", Business Week (March 23, 1998), 1 pp.

(E) Krauss, Jeffrey, "Subsidized TV Sets?", CED, (February 1998), 3 pp.

The following is a listing of the prior art of record relied upon to support Official Notices taken in the rejection of claims under appeal.

(A) 5,655,089	BUCCI	8-1997

(B) 5,060,165 SCHUMACHER et al 10-1991

(C) 5,200,889 MORI 4-1993

(D) Goldberg, Jeff, "Making Your Wireless Quest Easier", Point.com, (November 16, 2000), 8 pp.

(E) Wall Street Access, "Active Trader Rebate Program", www.esaccess.com, (download date April 22, 1998), 1 pp.

(10) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

(A) Claims 1, 11-13, 22, and 29 are rejected under 35 U.S.C. 103(a) as being unpatentable over McNatt et al (Business Week) in view of Linnen et al (AT&T News Release) and in further view of Krauss (CED) and Crosskey et al (6,035,281).

Claims 1, 11-13, 22, and 29: McNatt discloses a system and method used by AT&T to acquire customers by providing an acquisition offer (check) to the potential customer if they switched to AT&T as their long distance carrier. Linnen discloses that this system has been practiced by AT&T and others since at least 1990 (See "History of slamming" on page 1).

However, as argued by the Applicant, neither McNatt nor Linnen discloses that the second entity will transfer the funds directly to the first entity. Crosskey also discloses a system and method for processing a subsidy payment on a user's Internet connection bill, where an advertiser or content provider will pay some or all of the user's connection time bill to the ISP when the user accesses the advertiser's website or clicks on a link thereon (col 6, lines 18-38). Crosskey further discloses that the ISP could receive a "bonus" payment if the user actually purchases an item from the advertiser (col 8,

line 66 - col 9, line 6). Thus, the user's Internet connection bill is being paid in full or in part by an advertiser when the user becomes a customer of the advertiser. Additionally, Krauss discloses several similar methods for acquiring new customers by a second entity (cell phone company, cable TV company, or digital TV broadcasters) in which the second entity transfers the funds directly to the first entity. For example, in the first paragraph on page 1, Krauss discloses that "the cellular phone company sends a check for $200 to Circuit City. That covers the remaining cost of the phone." and that "The cell phone company considers it a marketing cost or customer acquisition cost." Thus, the customer's bill at Circuit City for purchasing the cellular phone is being paid at least in part by the cellular phone company. While the Krauss article was published in February 1998, the Examiner can attest of personally experiencing this type of cellular phone subsidy while a sales associate for Radio Shack in 1991 and 1992. At that time the price of a cellular phone was, for example, $250. A customer could purchase the cell phone for that price; or, if desired, sign a one or two year contract with a cellular phone service provider and pay only $50 for the phone. I would then activate the customer's new phone with the service provider's codes, and Radio Shack would collect the remaining amount ($200) from the service provider (the Examiner's experience is further supported by Goldberg, "Making Your Wireless Quest Easier"). A similar well known example, which directs pertains to AT&T and other long distance carriers, is the customer acquisition method in which the long distance carrier will pay the switching fees to the phone company when the customer becomes AT&T's customer (changes their long distance service to AT&T). Finally, Wall Street Access (Item O on Information Disclosure Statement filed by Applicant on June 19, 1998, paper number 2) discloses Wall Street Access paying the user's basic real-time data fee to Signal, Signal Online, QuoTrek, BMI, StockEdge, or StockEdge Online when the user

actively trades with Wall Street Access. This, once again, demonstrates the wide spread use of the marketing technique of a second party directly paying a portion of a user's bill owed to a first party when the user becomes a customer of the second party as Applicant is claiming.

In addition, while neither McNatt nor Linnen discloses how AT&T selects which potential customers are sent the offer (checks), Official Notice is taken that it is old and well known within the marketing arts to send acquisition solicitations (advertisements) to individuals who are not current customers of the business (for support of this Official Notice see Bucci (5,655,089) col 3, line 55-67). Official Notice is taken that the use of the customer database of a third party as a resource for potential customers which is cross-checked with the business' own customer database is also well known (for support of this Official Notice see Schumacher et al (5,060,165) col 7, line 67 - col 8, line 15). Official Notice is taken that it is also well known to identify customers within the database using a customer identifier, such as an account number, social security number, etc. (for support of this Official Notice see Bucci, col 2, lines 42-47). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made that AT&T would select an individual who was not a current customer as the recipient of their acquisition offer (check) and to make this selection by comparing AT&T's customer database with another customer database. One would have been motivated to select the potential customer in this manner in order to reduce the overall cost of the marketing program by eliminating such offers to present customers.

(B) Claims 2-10, 23-27, and 30 are rejected under 35 U.S.C. 103(a) as being unpatentable over McNatt, Linnen, Crosskey, and Krauss as applied to claim 1 above, and further in view of Jermyn (6,026,370).

Claims 2-5: McNatt, Linnen, Crosskey, and Krauss disclose a system and method used by AT&T to acquire customers as in Claim 1 above, but none explicitly disclose that the selection of the individual is based on satisfying predetermined criteria. Jermyn discloses a similar system and method to provide an offer to a competitor's customer by selecting individual's who meet certain predetermined criteria (col 2, line 59 - col 3, line 4; and col 6, line 61 - col 7, line 65) such as brand loyalty, number of members in the customer's household (demographic), address information (geographic), payment method (financial), and other demographic data. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to select the potential AT&T customers using similar criteria. One would have been motivated to select customers using predetermined criteria in order to increase the acceptance rate of the offer by targeting the most likely individuals.

Claims 9, 25, and 27: McNatt, Linnen, Krauss, Crosskey, and Jermyn disclose a system and method used by AT&T to acquire customers using predetermined criteria as in Claims 1, 2, 14, and 22 above. While none of the references disclose that the offer is being enclosed in a billing statement from the first entity, Official Notice is taken that it is old and well known within the marketing arts to insert advertisements (offers) in billing statements (for support of this Official Notice see Bucci, col 3, lines 55-59). In most instances, these advertisements are not for products of the billing entity, but are for products or services from third parties. These third parties normally pay the first entity a fee for inserting the advertisement. Furthermore, Applicant has given several examples of businesses paying

billing statement issuers to include promotional materials with the billing statements (page 2, lines 25-30). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to insert the AT&T offer into the billing statement of the first entity, such as the local telephone company. One would have been motivated to do this in order to decrease the postage cost of separate mailings to AT&T and to provide increased revenue to the first entity through the collection of the insertion fees discussed above.

Claims 6, 7, and 23: McNatt, Linnen, Krauss, Crosskey, and Jermyn disclose a system and method used by AT&T to acquire customers using predetermined criteria as in Claims 1, 2, 14, and 22 above. While Jermyn discloses checking whether financial data from the customer database meets predetermined criteria, none of the references explicitly disclose that the customer database includes an amount due which is equal or less than a predetermined maximum amount. Official Notice is taken that it is old and well known within the marketing arts to make promotional offers to pay "up to" a certain amount (for support of this Official Notice see Mori (5,200,889) col 10, lines 41-44). For example, Nabisco™ attaches coupons to boxes of vanilla wafers which offer to pay up to 40 cents on the purchase of bananas. If the shopper only purchases 32 cents worth of bananas, the merchant will redeem the coupon for only 32 cents, not the maximum 40 cents. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to check the amount due by the customer and to authorize payment "up to" a maximum set by the second entity. One would have been motivated to pay the amount due up to the maximum payment amount in order to ensure that the first entity does not receive a larger amount than what it was due as discussed by Mori.

Claims 8 and 24: McNatt, Linnen, Krauss, Crosskey, and Jermyn disclose a system and method used by AT&T to acquire customers using predetermined criteria as in Claims 1, 2, 14, and 22 above. While none of the references disclose that the individual agrees upon acceptance of the offer to remain a customer of the second entity for a specified period of time, Official Notice is taken that it is old and well known within the marketing arts to present awards and incentives to new customers when they agree to remain customers for a specified period of time. For example, for years mobile telephones and now cellular telephones have offered numerous incentives, such as free phones, reduced rates, rebates, etc. to new customers who sign up for one, two, or more years of service (for support of this Official Notice see Goldberg (Point.com) page 2). These agreements often included substantial penalties if the customer switched to another carrier within the contracted period of service. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to require the new customer to remain with the second entity for a specified period of time. One would have been motivated to require this in order to reduce the number of customers who hop from one service to other just to take advantage of the current offer, such as has been experienced by the online service providers who offer one month free Internet connection when a user switches. Many users hop from one service provider to another, using up their free month of service, then canceling their account and signing with another service provider with a similar offer.

Claim 10: McNatt, Linnen, Krauss, Crosskey, and Jermyn disclose a system and method used by AT&T to acquire customers using predetermined criteria as in Claims 1 and 2 above. While none of the references explicitly disclose that AT&T determines if the individual has accepted the offer, it is inferred that AT&T would determine this from the checks which had been cashed.

Claim 26: McNatt, Linnen, Krauss, Crosskey, and Jermyn disclose a system and method used by AT&T to acquire customers using predetermined criteria as in Claims 1, 2, and 22 above. McNatt and Linnen also disclose that the potential customer must receive the offer, indicate acceptance (by signing the check), and become a customer of the second entity (switch to AT&T). Examiner considers the act of signing the check as the equivalent as utilizing acceptance indicia on the billing statement. Furthermore, it is obvious that if the customer accepts the offer, this acceptance must somehow be communicated back to the second entity. Acceptance indicia are well known within the marketing arts and may take the form of check boxes, signatures, placing or removal stickers, etc. and that these indicia are located on other documents such as billing statements, game pieces, order forms, postcards, etc. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to also include a check box on the AT&T check to verify the customer's desire to switch to AT&T. One would have been motivated to include such an acceptance indicia in view of McNatt's discussion of the FCC guidelines to prevent "slamming".

Claims 28 and 30: McNatt, Linnen, Krauss, Crosskey, and Jermyn disclose a method used by AT&T to acquire customers using predetermined criteria as in the above claims. The method receives data from a third party (AT&T) which indicates the amount the third party will pay to receive a new customer (the offer), selects a customer account from a plurality of customer accounts which indicate the customer and an outstanding balance due to the billing party, providing the offer with the billing statement to the customer, receives an acceptance of the offer (check cashed) from the customer, and transferring the offered amount from the third party to the billing party. These features have all been discussed in Claims 1-27 above. While the cited references do not disclose that the billing party is a

credit card company nor that the amount offered by AT&T is not less than the minimum payment on the credit card bill, it would have been obvious to one having ordinary skill at the time the invention was made that the offer could be inserted in any billing statement to include credit card billing statements. As discussed above, it would have been obvious for AT&T to set a maximum amount that the offer would pay and to transfer an amount equal to the minimum payment to the billing party. One would have been motivated to apply the minimum amount (or greater) to the customer's credit card account in order to avoid customer confusion by obviating the need for the customer to also transmit a payment to the billing party after calculating the difference between any lesser payment by AT&T and the required minimum payment.

(11) Response to Argument

(A) Appellant argues against the use of Official Notice and states that "the Examiner's sweeping assertions cannot be used as prior art to the present application - only the content of the references of record which are prior art to the present application may so used"...."In other words, official notice of what existed in the prior art is not permitted" (page 15); and "Assertions of technical facts in areas of esoteric technology must always be supported by citation to some reference work recognized as standard in the pertinent art and the appellant given, in the Patent Office, the opportunity to challenge the correctness of the assertion or the notoriety or repute of the cited reference" (page 16). The Examiner notes two things. First, references were provided which support all the Official Notices taken in the office action. Second, the Examiner does not believe that business is an esoteric art. The word "esoteric" is defined in Webster's II, New Riverside University Dictionary as "1. Intended for or understood only by a particular group. 2. A. Known by a restricted number. B. Confined to a small group. 3. Not publicly disclosed: CONFIDENTIAL." Since business methods have been used and understood by people all over the world since the beginnings of bartering between caves, business cannot, in any sense of the word, be viewed as an esoteric art. Thus, since the Appellant has not presented any arguments that call into doubt that the features are well known, the Official Notices should be upheld.

(B) The Appellant argues in reference to Group I (and many other groups) that the references do not disclose an "offer which is provided with the billing statement, much less an offer to said individual to pay at least a portion of an amount due on said billing statement if the said individual becomes a customer of said second entity" (page 18), and further argues the Examiner's interpretation of this ("a

second party pays a portion of a user's bill owed to a first party when the user becomes a customer of the second party") is simplistic and "ignores several recited limitations of claim 1" (page 17). The Examiner notes that the main references used to reject the claims were the McNatt and Linnen references which clearly show AT&T sending their offer with the user's phone bill; however the payment is given to the user, not directly to the first party. The references the Appellant cites ("Wall Street Access" and "Crosskey") in the above argument were used to show that it is well known for a second party to pay a portion of the user's bill owed to a first party directly to the first party. Thus, in combination, the references show the user receiving a billing statement from a first party with an offer (from AT&T) to pay the user for becoming a customer of the second party (AT&T), and that the payment which is at least a portion of an amount due to the first party is paid directly to the first party (Crosskey).

(C) The Appellant further argues in reference to Group I (and many other groups) that the references (Schumaker in particular) also do not disclose "determining if an individual indicated by said customer identifier is a customer of a second entity" (pages 19 and 20). The Examiner notes that this feature was rejected using Official Notice which was then supported in subsequent Office Actions by Bucci and Schumaker. In particular, Schumaker discloses storing mailing lists from the first and second parties and that "demographic analysis can be done on the mailing list to identify additional customers who would fall into similar categories and are not yet being serviced by the small business" (second party)(col 8, lines 11-15). Furthermore, in response to this same argument by the Appellant in an earlier response during prosecution of the application, the Examiner used the following example of a long distance service provider (AT&T) sending out their offer ($5 check) with the user's local telephone bill. "If the local phone company (first entity) has 100,000 customers of whom 25,000 have AT&T as their

long distance service, it would be completely illogical for AT&T to have the local company send the offer to all 100,000 customers. The 25,000 customers whom are already AT&T customers would certainly cash the check, since it would not change their status. This would be a completely needless $125,000 expense to AT&T with no customer acquisition taking place."

(D) The Appellant lastly argues in reference to Group I (and many other Groups) that the references (McNatt in particular) do not disclose "receiving acceptance of said offer from said individual" (page 21). The Examiner notes that this feature was rejected (under Claim 10) as being inferred (implied) by McNatt. AT&T provides the offer (advertisement with a $5 check) to the customer. If the customer accepts the offer to become an AT&T customer, the customer endorses (cashes) the check and their long distance service is switched to AT&T. The customer can also imply refusal of the offer by not cashing the check. Similarly, Krauss discloses the customer indicating acceptance or refusal of the offer to become a customer of the cellular phone service provide, and then either getting or not getting the reduced price (bill) for the cellular phone being purchased. In any similar offer, it is inherent that the customer must indicate acceptance or refusal of the offer to determine whether or not to implement its terms. If no acceptance is needed, then it would not be an offer, but a benefit given to all.

(E) The Appellant also argues against the combination of the cited references and the alleged lack of motivation to combine or modify the references (page 23). The Examiner notes that the references all pertain to billing customers, combining inserts with the bills, making offers to another merchant's customers using the billing statement, and/or offering to pay a portion of the customer's bill. The Appellant has provided a table on pages 23-24 (the same table is also shown on pages 55-56, 66-67, 90-

91, 101-102, and 114 along with the same arguments) summarizing the references. No motivation was needed to combine the McNatt and Linnen references since they were both articles discussing the same practice of AT&T offering checks to local phone customers to entice them to become long distance customers of AT&T. Likewise, in Krauss a cellular phone service provider offers to pay part of the customer's bill (when purchasing a cellular telephone) if the customer becomes a cellular phone customer of the provider. Thus, this reference uses the offer for the same motivational reason as AT&T - to entice the customer to switch their phone service. However, Krauss additionally shows the provider directly paying the merchant, not the customer. Crosskey is an online version of the other references in which a second merchant (advertisers) pay the first merchant (online service provider) pay of the customer's connection bill if the customer selects their advertisement and then becomes a customer of the second merchant (purchases an item). Again, the recurring theme throughout the references is the customer receiving a reduced bill by a second merchant paying part of the total amount owed by the customer. It is obvious that the references and even the Appellant's invention could easily be modified to have the second merchant provide payment either directly to the customer, directly to the first merchant, or indirectly to the first merchant by having the customer endorse the AT&T check to the first merchant, either as the only option or as a choice wherein the customer could choose to either cash the check or endorse it. Thus, the motivation to combine these references is the motivation for all advertising - - to entice the individual to become a customer. The other references were used in support of the Official Notices, whose features are still maintained to be old and well known.

(F) The Appellant argues in reference to Group II (Claim 2) that Jermyn does not disclose "determining whether said individual satisfies predetermined criteria for receiving said offer" (page 28).

However, in his description of the Jermyn patent, the Appellant cites lines from column 2 to the effect that Jermyn "discloses customizing purchase incentives (discount coupons) for a consumer based on a profile of loyalty to a promoted brand within a product category" to "determine whether the consumer's prior purchases have been of promoted brands, competitive brands or products only related to the promoted product category" (page 27). The customer then is given the offer (coupon) if they meet the predetermined criteria for the offer. Thus, Jermyn explicitly discloses "determining whether said individual satisifies predetermined criteria for receiving the offer". The Appellant further argues that these is no reason to combine this reference with the previous references used in the rejection of the parent claim. The Examiner notes that this reference was used to show how the recipients of the offer would be selected, which was not covered by the two main AT&T references. It is obvious that some mechanism needs to be incorporated to determine who receives the $5 offers from AT&T and who doesn't. As discussed in reference to Claim 1 above, there is no need to entice present customers of AT&T with the $5 checks.....they are already customers. So, at the minimum, the predetermined criteria to be met by the potential recipient is that they are not present customers. More likely, the second merchant (AT&T in this example) would also set other criteria, such as individual or business customers, household income brackets, credit history, etc. These are types of targeting criteria normally used throughout the marketing arts and would have been obvious choices for both AT&T and the Applicant. Thus, when setting up the AT&T system one would have been motivated to look to other prior art such as Jermyn to determine how to select recipients of the offer.

(G) The Appellant argues in reference to Group III (Claim 5) that Jermyn "does not disclose that households may be targeted for coupons based on financial conditions of households" (page 33). As per

the rejection of this claim along with Claims 2 and 3 above, Jermyn discloses that the selection is based on (filtered by using) information about the customer to arrive at "qualified consumer households". The filtering is based on any appropriate condition, such as households of three or more persons, age of the customer, other demographic factors (col 6, line 61 - col 7, line 6), or purchase histories (col 8, lines 49-56) to include prices. The Examiner considers the purchase history of a household as financial conditions as cited in the claim. However, it is also obvious that the "other demographic factors" disclosed by Jermyn could also include such "financial" factors as payment type, credit history, and possibly even household income levels.

(H) The Appellant's argument against the combination of the references has been addressed above.

(I) The Appellant argues in reference to Group IV (Claim 6) that the Mori reference does not disclose "that said customer account record further indicates an amount due and the method further comprises the step of determining whether the amount due satisfies predefined criteria for receiving said acquisition offer" (page 36). The Examiner notes that this feature has been rejected throughout the prosecution under Official Notice. The Mori reference was used to support the well known feature. In addition to the reference, the Examiner also cited the example of buying vanilla wafers with an attached coupon that is good up to 40 cents off a purchase of bananas. As long as the banana purchase (amount due) exceeds 40 cents, the transaction proceeds as normal and the customer receives the 40 cent discount (offer). However, if the customer only buy 32 cents of bananas, the redemption of the coupon is reduced to the 32 cents, not the maximum of 40 cents. Thus, the incentive is checked against prerequisites (amount of banana purchase) before the offer value is set. As in the rejection of this claim

and claims 7 and 23 above, the motivation to doing this is to ensure that the first merchant does not receive more than the redemption value given to the customer from the second merchant as was discussed by Mori.

(J) Again, the Appellant argues against the combination of the references, which has been addressed above.

(K) The Appellant argues in reference to Group V (Claim 9) that none of the references disclose "that said billing statement is a billing statement of said first entity and said offer is provided to said individual in said billing statement of said first entity" (page 42). While the AT&T references disclose that the AT&T offers are provided to the customers, it is not explicitly disclosed how they are provided. Official Notice was taken that it was old and well known to insert advertisements, offers, and other information into billing statements. In support of this well known feature, the Examiner provided the Bucci reference which not only discloses consolidating bills from a plurality of sources onto one or two pages, but also discloses "other hard copy material can be included in the single envelope carrying the one page or more summary of all billing statement, to carry, as well, other hard-copy material in the nature of advertising or bill break-down information" (col 3, lines 55-59). This clearly shows that it is old and well known to insert promotional material (such as the Applicant's offer or AT&T's check) along with billing statements.

(L) Again, the Appellant argues against the combination of the references, which has been addressed above.

(M) The Appellant argues in reference to Group VI (independent Claim 13). This claim has been placed in Group I by the Examiner, since the Appellant uses the same arguments for both this claim and for Claim 1. Accordingly, the same response is given for these arguments.

(N) The Appellant once again argues against the combination of the references, which has been addressed above.

(O) The Appellant argues in reference to Group VII (Claims 22, 23, and 24), but presents the same arguments as in Claim 1, 6 and 8 above. The Examiner has placed these claims in Group I (claim 22), Group III (Claim 23) and Group IV (Claim 24). Accordingly, the same responses are given for these arguments.

(P) The Appellant again argues against the combination of the references, which has been addressed above.

(Q) The Appellant argues in reference to Group VIII (Claim 25), but presents the same arguments as in Claim 9 above. The Examiner has placed this claim in Group V, along with Claim 9. Accordingly, the same response is given for these arguments.

(R) Yet again, the Appellant argues against the combination of the references, which has been addressed above.

(S) The Appellant argues in reference to Group IX (Claim 26) that none of the references disclose the customer "utilizing acceptance indicia on the billing statement to indicate acceptance of the offer" (page 74). The Appellant also argues against the Examiner's assertion that "Acceptance indicia are well known within the marketing arts and may take the form of check boxes, signatures, placing or removal stickers, etc. and that these indicia are located on other documents such as billing statements,

game pieces, order forms, postcards, etc." As discussed in the rejection of this claim above. McNatt and Linnen disclose that the potential customer must receive the offer and endorse the check in order to become a customer of the second entity. The Examiner considers the customer's act of endorsing the check (presumably on the proper line) as utilizing acceptance indicia. The Examiner further notes that in most instances if the customer's signature is in an improper place, such as on the face of the check, the check cannot be cashed; thus, acceptance of the offer is precluded. Linnen even goes further than this by discussing ways to prevent "slamming", which is the practice of getting the unsuspecting consumer to agree to switch long distance carriers by burying or hiding the agreement terms within another document, such as a sweepstakes entry or check. Linnen discloses that slamming can be prevented, or at least lessened, by requiring the agreement to be on a separate sheet of paper, to use large visible fonts, etc. Notwithstanding this disclosure by McNatt and Linnen, as asserted above acceptance indicia are well known. For example, many of the postcard mailing receipts which Applicants send in to the Patent Office with each mailing include checkboxes for the Office to indicate receipt (acceptance) of the accompanying items. These postcards are then also signed by the receiving mailclerk. Thus, it would have been obvious to include an acceptance indicia, such as a checkbox, on the AT&T check to verify the customer's acceptance and desire to switch to AT&T, especially in view of Linnen's discussion of the FCC guidelines to prevent "slamming". As discussed in reference to Claim 9 in the rejection and the arguments sections above, it would have been obvious to print the check on the same sheet of paper as the billing statement, but preferably on a perforated portion since the customer would most likely prefer to retain the actual billing statement for accounting purposes. The Examiner notes that perforating

portions of a billing statement is well known and used for many years to facilitate the removal and mailing of the remittance portion of the statement.

(T) The Appellant again argues against the combination of the references, which has been addressed above.

(U) The Appellant argues in reference to Group X (Claim 28) that the references do not disclose receiving data indicating the maximum amount that the second merchant will pay for receiving a new customer (page 85), nor "applying the minimum amount due to the credit card company in response to the received acceptance without receiving the minimum amount due from the customer" (page 89). The Examiner considers the value of the check which is sent to the customer as the maximum amount that AT&T will pay to acquire that particular customer. As Appellant points out in his argument (page 85), McNatt shows that AT&T will vary the face value of the checks typically from $50 to $100. While the Appellant interprets this to mean that "they are all less than or equal to some (unrevealed) maximum amount that AT&T will pay for receiving a new customer" (page 85), the Examiner interprets this to mean that AT&T is evaluating each customer and sets the face value of the check to the maximum amount that they will pay to acquire that particular customer, not to some random number within the $50 to $100 range. As to the Appellant's argument that the individual is the one performing the steps of the claim in the reference since the customer is the one who received the check, the examiner notes that the first merchant (i.e. the one sending the billing statement - the local phone company in this case) is the entity which compiles the mailing to include the information to format and print the checks. Thus, while the individual may indeed receive the check with the maximum amount on it, the first merchant initially receives this information and completes the other steps of the method. As to the Appellant's argument

in reference to applying the minimum amount due to the billing statement, this was discussed in reference to Claim 7 above. In short, it is obvious that the second party would not pay more than the amount owed by the customer to the first party. In the banana purchase example above, an offer to pay up to 50 cents towards the banana bill was used. This clearly shows that a maximum amount was set. You could expand this example to a credit card bill, wherein the offer would be to pay up to $50 towards the credit card bill. As discussed in the rejection of Claims 28 and 30 above, it would have been obvious to pay the minimum amount due on the bill (which is what most consumers pay each month) as long as it didn't exceed the $50 limit. Another example of this is for an heating and air conditioning retailer to offer to pay a homeowner's utility bill when they buy a new furnace or air conditioner from the retailer. These offers normally read something like, "Purchase one of our new Brand X electric furnaces and we'll pay your next three months' electricity bills (up to $200 per month)". There are numerous other examples in society in which one entity will make one or more monthly payments for a customer if that customer switches to or buys something from that entity, such as an automobile.

(V) The Appellant again argues against the combination of the references, which has been addressed above.

(W) The Appellant argues in reference to Group XI (independent Claim 29). This claim has been placed in Group I by the Examiner, since the Appellant uses the same arguments for both this claim and for Claim 1. Accordingly, the same response is given for these arguments.

(X) The Appellant once again argues against the combination of the references, which has been addressed above.

(Y) The Appellant argues in reference to Group XII (independent Claim 30). This claim has been placed in Group VIII by the Examiner, since the Appellant uses the same arguments for both this claim and for Claim 28. Accordingly, the same response is given for these arguments.

(Z) The Appellant once again argues against the combination of the references, which has been addressed above.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

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JWM
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